AMG
AMERICAN MARKETING & MOTORSPORTS GROUP INC.
"The Road to the Winners Circle"

March 14, 1994

Mr. Scott Steen
R.J.R. Co.
150 Lawrenceville Rd.
Suite 108
Williamsville, N.Y. 14221

Dear Scott,

Please find enclosed two signed copies of the proposed 1994 AMG Motorsports Promotion Program and program invoices as per Bruce Cook.

Sincerely,

Ralph

Ralph Stoppiello
RS/sj

51860 7342

26 GARDEN ST. NEW YORK MILLS, NEW YORK 13417 315-736-8834 FAX. NO 315-768-3046

Source: https://www.industrydocuments.ucsf.edu/docs/gpdn0000

OPERATIONAL CONTRACT

Date:

Contract No.:

This Agreement is entered into as of the 21ST day of MARCH, 1994, between American Marketing and Motorsports Group, Inc. (hereinafter referred to as "AMG") and R.J. Reynolds Tobacco Company (hereinafter referred to as "RJRT"). In consideration of the mutual terms and conditions herein, the parties agree as follows:

1. Term

The term of this Agreement shall begin on January 1, 1994 and extend through December 31, 1994.

2. Compensation

AMG will provide services defined under Paragraph 3, Job Assignment/Performance Standards for a total compensation of $34,000.00 payable as follows:

$ 15,000.00 March 1, 1994
$ 10,000.00 July 1, 1994
$ 9,000.00 October 1, 1994

All invoices and required insurance certificates shall reference this contract number and be sent to:

R.J. Reynolds Tobacco Company
PO Box 484
Winston-Salem, N.C. 27102-0484
Attention: Contract Department

3. Premise

RJRT desires to associate itself and its products with racetrack facilities and individual racing events that are controlled by AMG. It is understood that the items, rights and services granted will be used in conjunction with any entity of RJRT's choosing.

It is further understood that AMG shall not use any RJRT logo or typestyle in any manner without the prior written consent from RJRT and Sports Marketing Enterprises.

The tracks listed below shall not be positioned together in any manner which could be construed as constituting a "series" of events.

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The racetrack facilities and events that RJRT desires to associate itself with are as follows:

Brewerton Speedway	- Brewerton, N.Y.
Can Am Speedway	- Lafargeville, N.Y.
Canandaigua Speedway	- Canandaigua, N.Y.
Cayuga County Speedway	- Weedsport, N.Y.
Five Mile Pt. Speedway	- Five Mile Pt., N.Y.
Fonda Speedway	- Fonda, N.Y.
Frogtown Speedway	- Hogansburg, N.Y.
Fulton Speedway	- Fulton, N.Y.
Lancaster Speedway	- Clarence, N.Y.
Lebanon Valley Speedway	- West Lebanon, N.Y.
Orange County Speedway	- Middletown, N.Y.
Oswego Speedway	- Oswego, N.Y.
Ransomville Speedway	- Ransomville, N.Y.
Rolling Wheels Raceway	- Elbridge, N.Y.
Utica-Rome Speedway	- Vernon, N.Y.
Super DIRT Week	- New York State Fairgrounds
Customer Race Night	- Vernon, N.Y.

4. Job Assignment/Performance Standards

A. AMG will grant RJRT the right to provide the following at all facilities with the exception of the New York State Fairgrounds:

1. Retail Premium Offers utilizing track names and/or logos to include but not limited to:

. Hat, t-shirt, mug or any premium solely determined by RJRT with a multi-pack purchase at the individual track concessions.

. Hat, t-shirt, mug or any premium solely determined by RJRT with a multi-pack purchase at off-track retail accounts.

. Hat, t-shirt, mug or any premium solely determined by RJRT and a discount ticket offer with a multi-pack purchase to be sold at off-track retail accounts.

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2. A $2.00 Off Discount Ticket Offer at no redemption cost to RJRT subject to the following conditions:

a. Valid for only Regular Admission Races and;
b. Valid only between April 1, 1994 through September 2, 1994 and;
c. Valid only at -

Brewerton Speedway	- Brewerton, N.Y.
Can Am Speedway	- Lafargeville, N.Y.
Canandaigua Speedway	- Canandaigua, N.Y.
Cayuga County Speedway	- Weedsport, N.Y.
Five Mile Pt. Speedway	- Five Mile Pt., N.Y.
Fonda Speedway	- Fonda, N.Y.
Frogtown Speedway	- Hogansburg, N.Y.
Fulton Speedway	- Fulton, N.Y.
Lancaster Speedway	- Clarence, N.Y.
Lebanon Valley Speedway	- West Lebanon, N.Y.
Orange County Speedway	- Middletown, N.Y.
Oswego Speedway	- Oswego, N.Y.
Ransomville Speedway	- Ransomville, N.Y.
Rolling Wheels Raceway	- Elbridge, N.Y.
Utica-Rome Speedway	- Vernon, N.Y.

d. Not valid at specific limited special race events to be mutually agreed upon, including but not limited to the following events: World of Outlaw, Skoal Super DIRT Series, Sunoco Race Fuels DIRT Championship Trail, ESS, TNT/SRO, AMA, URC and LAPCO.

3. RJRT will have exclusive cigarette product sales at each of the independent participating tracks.

4. Temporary signage and advertising rights at each of the independent participating tracks.

5. Sponsor Credentials as necessary for each of the independent participating tracks.

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B. AMG will provide the following to RJRT in conjunction with the Customer Race Night Event:

1. Sponsorship of race event at Utica-Rome Speedway in Vernon, N.Y. on a date to be mutually selected. RJRT and/or the designated customer shall have title rights to this singular event.

2. Twenty (20) VIP Tickets.

3. Fifty (50) General Admission Tickets

4. Ten (10) Sponsor Credentials.

5. Temporary signage rights mutually agreed upon by both parties.

6. Full page black and white program advertising. RJRT will provide the necessary artwork.

7. Victory Circle pageantry and presentation rights.

C. AMG will provide the following to RJRT in conjunction with Super DIRT Week:

1. Sponsorship of the DIRT Modified Final Qualifiers Race on Sunday, October 9, 1994 at the New York State Fairgrounds in Syracuse, N.Y.

2. Fifty (50) VIP tickets good for admission on Friday October 7; Saturday, October 8; Sunday, October 9, 1994.

3. Twelve (12) reserved seat tickets for Friday, October 7; Saturday, October 8; Sunday, October 9, 1994.

4. Fifty (50) general admission infield passes for Friday, October 7; Saturday, October 8; Sunday, October 9, 1994.

5. Ten (10) Sponsor credentials.

6. Temporary signage rights mutually agreed upon by both parties.

7. Display space for RJRT simulator subject to any set-up, electrical or other incidental costs.

8. Full page black and white program advertising. RJRT will provide the necessary artwork.

9. Victory Circle pageantry and presentation rights.

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10. RJRT and AMG will mutually agree upon a souvenir discount redemption offer.

11. Permission to use the Super DIRT Week logo on any promotional materials used in retail or on-site promotions in order to sell RJRT's products.

5. Intellectual Property Rights

All rights in the nature of copyrights or otherwise in designs, artwork, written work, video or audio tapes or other materials produced pursuant to this Agreement shall be the sole and exclusive property of RJRT (hereinafter "Licensor"), and AMG shall acquire no rights therein adverse to Licensor. All works created by AMG as a result of the services provided hereunder or related copyrighted materials shall be considered works made for hire. In the event that any work does not qualify as a work made for hire, AMG hereby irrevocably sells,assigns and grants to Licensor all right, title and interest in and to that work, including, without limit, all of the rights of AMG as the owner of the copyright in that work throughout the world, and hereby agrees to execute any additional assignment document necessary. AMG further agrees to require that any company or person which creates such works for it in connection with this Agreement enter into an agreement with AMG containing the same provisions concerning the assignment and ownership of such works.

6. Compliance

AMG, in the performance of its job assignment under this Agreement, shall comply with all applicable municipal, county, state and federal laws and regulations bearing on the performance of its obligations.

7. Governmental/Judicial Interference

In the event of federal, state or local legislative, judicial, administrative or other governmental action that prohibits, impairs, inhibits or declares unlawful the advertising and/or promotion of cigarettes or the sponsorship of sporting, entertainment or other events by cigarette manufacturers or brands, or that restricts the activities contemplated hereunder, or that in any way affects or frustrates advertising or promotional activity under this Agreement, then, in any such event, RJRT may terminate this Agreement effective upon the earlier of (i) 30 days following the delivery of written notification by RJRT of such termination or (ii) the effective date of such legislative, judicial or administrative action. Neither party shall have liability to the other on account of termination pursuant to this paragraph other than for the advertising, promotion, sponsorship or other activities performed up to the date of termination.

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8. Force Majeure

Neither party shall be liable or bear any responsibility for failure or inability to perform its obligations hereunder due to any contingency or cause beyond its reasonable control, including, but not limited to, fires, floods, wars, accidents, labor disputes or shortages, inability to obtain materials, equipment or transportation, or any similar cause beyond the reasonable control of such party.

9. Indemnification

A. AMG shall indemnify, defend and hold harmless RJRT, its parent and affiliates, and their officers, directors, agents and employees from and against any and all claims, demands, actions, causes of action, fines losses or damages whatsoever and any cost and expense related thereto, including reasonable attorneys fees, arising from the performance of this Agreement or otherwise resulting from the work, services, equipment or materials furnished to or on behalf of RJRT.

B. RJRT shall indemnify, defend and hold harmless AMG, its parent and affiliates, and their officers, directors, agents and employees from and against any and all claims, demands, actions, causes of action, fines losses or damages whatsoever and any cost and expense related thereto, including reasonable attorneys fees, arising from the acts of RJRT and RJRT's agents, servants and employees or otherwise resulting from the use of defective materials, if any provided by RJRT, unless the condition of such materials was altered or modified after delivery to AMG.

10. Insurance

Company agrees to secure and maintain policies of insurance in accordance with the following requirements:

A. Worker's Compensation (Statutory Limits) and Employer's Liability - Limits of Employer's Liability of $500,000 per occurrence.

B. Commercial General Liability, including Blanket Contractual Liability and Product/Completed Operations Liability, (specifically covering the above indemnities) with a combined single limit of $1,000,000 per occurrence.

C. These policies can be structured in policy forms that include primary, excess, and umbrella insurance forms to achieve the required limits.

D. Under the insurance policies required by subparagraphs B, and C, RJRT,its parents, subsidiaries, and affiliates and their officers, directors, agents, and employees are to be named as Additional Insureds, and the policies shall be endorsed with a provision that the insurance applies as primary insurance as to the additional insureds and shall require contribution by any other similar insurance available to the Additional Insureds.

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E. Certificates of Insurance acceptable to RJRT shall be filed with RJRT promptly upon signing this Contract and at other such times as RJRT may request. These certificates shall provide that RJRT shall be given "at least thirty (30) day written notice prior to cancellation or any other change to restrict the coverage or reduce the limits afforded."

11. Relationship of the Parties

A. The parties to this Agreement intend that the relationship of AMG to RJRT under this Agreement be that of independent contractor. RJRT is interested solely in the results to be achieved, and the conduct and control of the work will lie solely with AMG. Nothing contained herein shall be construed to create a partnership or joint venture nor to create the relation of principal and agent or employer and employee between the parties.

B. Should company contract, hire or retain any employees, independent contractors or other agents to perform the services or provide the equipment or materials under this Agreement, the parties intend and AMG warrants that no relationship or principal and agent or employer and employee is created between RJRT and the above parties.

C. No employee, independent contractor or other representative of AMG shall consume or transport, except at the request of an authorized RJRT representative, an alcoholic beverage or controlled substance while operating a RJRT vehicle or operating a vehicle while rendering services to or for RJRT. No employee, independent contractor or other representative of AMG shall operate a RJRT vehicle or operate a vehicle while rendering services to or for RJRT if such person has at any time been convicted of a criminal or civil offense involving alcohol or a controlled substance, nor shall such person do so at any time during the pendency of any criminal or civil charge against such person involving alcohol or a controlled substance. AMG shall ensure compliance with this paragraph , and any such failure to do so shall constitute a breach of this Agreement and shall constitute grounds for immediate termination of this Agreement by RJRT. This right of termination is in addition to all other rights and remedies provided herein.

12. No Assignment

A. No assignment of this Agreement, in whole or in part, shall be valid or binding on RJRT without prior written consent to such assignment by RJRT.

B. Should RJRT consent to an assignment of this Agreement, AMG shall remain responsible to RJRT for the performance of the duties and responsibilities under this Agreement.

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13. Successors

All rights and liabilities given to, or imposed upon, the respective parties shall extend to and bind the respective heirs, executors, administrators, successors and assigns of the parties. No rights, however, shall inure to the benefit of any assigns of AMG unless the assignment to the assignee has been approved by RJRT in writing as provided above.

14. Entire Agreement

This Agreement embodies all of the terms and conditions of the contract between the parties hereto with respect to the subject matter hereof. There are no statements, representations or warranties which have not been included in this Agreement.

15. Severability of Invalid Provisions

In the event that any part or parts of this Agreement are declared unlawful or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall continue to remain in full force and effect.

16. Modification

No modification, alteration or variation of the terms of this Agreement shall be valid unless made in writing, with reference specifically to this Agreement and executed by all of the parties.

17. Headings

Headings are supplied for convenience only and are not to be construed as an interpretation or modification of any of the language of this Agreement.

18. Time of the Essence

Time shall be of the essence with respect to all matters set forth herein.

19. Governing Law

North Carolina law shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

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AGREED TO AND ACCEPTED:

R.J. REYNOLDS TOBACCO COMPANY

BY: _____

TITLE: Region Operations Mgr.

DATE: 3/28/94

AGREED TO AND ACCEPTED:

AMERICAN MARKETING AND MOTORSPORTS GROUP, INC.

BY: _____

TITLE: President

DATE: 3/14/94

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